GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2825
ANSWERED ON:02.12.2016
Agriculture Loan Complaints
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received complaints against farmers for taking loans and insurance cover for much bigger area and more capital intensive crop than they cultivate as banks do not crosscheck this while approving loans;

(b) if so, the details thereof, bank-wise; and

(c) the corrective steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) to (c): Under Pradhan Mantri Fasal Bima Yojana (PMFBY) farmers can buy insurance before actual sowing/ planting, based on advance crop planning. However, for any reason if a farmer changes the crop planned earlier, he can do so by intimating the change to insurance company at least 30 days before cut-off-date for buying insurance or sowing, along with difference in premium payable, if any, accompanied by sowing certificate issued by concerned village/ sub-district level official of the State. In case the premium paid was higher, insurance company will refund the excess premium. Similarly, loanee farmers can also change the name of insured crop from the original crops submitted in the loan application by intimating such changes well in advance. As per the operational guidelines of the said Scheme, Banks will have to ensure that all standard loans sanctioned for notified crops within stipulated cut-off date should compulsorily be covered.

The Government, in the past, has received some complaints regarding crop insurance claims including those relating to non-change of crop by farmers with insurance companies/banks etc. and all such complaints have been suitably addressed, as far as possible, by the Insurer and the Government.